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Dear Valued Clients,

Thank you for your interest in our firm representing you in your real estate endeavors. The following shall outline the transaction process as well as confirm our mutual obligations to one another.

After your initial consultation with your attorney, the legal fee will be determined based upon individual circumstances.

Our office will put your interests first at every step of the transaction, respond to any inquiries promptly and provide great service. We will offer our very best counsel at every step of the way and make sure your legal rights are protected. We shall be transparent about the process and thoroughly explain any potential issues so you can make informed decisions.

**Most inquiries can be handled through email which usually provides the quickest response;** of course, we are also always available via telephone during business hours. Our office works as a cohesive unit of professionals that are intimately familiar with every single transaction; thus any one of us can assist you with your transaction.

Our interactive website is a very useful tool that will keep you in the loop the entire transaction, often times providing automated updates that you will receive via email. However, those notifications are generalized and do not always reflect the specifics of your particular transaction.

**Prior to Contract:**

- You will need to request the following documents for your review before we can review the contracts for the transaction as these items must be approved by you as the purchaser:
  - *Last Two Year's Financials.* You will want your accountant to review these to make sure that the coop is financially stable.
  - *Coop House Rules and Application.* The house rules will outline the 'do's and don'ts' that you will follow as a resident. Typically the contract is made contingent on board approval. The application (if any) will need to be submitted to the management company so that you can be approved by the board as a resident.
  - *Offering Plan.* This is a large, categorized bound book (or PDF version) that acts as a general outline of what the cooperation has to offer.
- If you require the Board Minutes to be reviewed, we retain the services of an outside company on your behalf which will be an additional expense.

### **Contract Review:**

- A real estate contract is written evidence of a meeting of the minds between you and the seller. The contract contains all of the terms and conditions of the transaction and describes the parties' respective rights and obligations. The contract will also contain contingency provisions and representations made by you and the seller that describes what will happen if things do not go exactly as stated in the contract.
- We always recommend conducting a home inspection. Should you attempt to negotiate credits and/or repairs pursuant to the report your **agent** will assist you in brokering the terms.
- One of the most important terms is often the 'closing date.' Typically in real residential estate transactions an 'on or about' closing date is utilized. The term 'on or about' provides for closing 30 days before **or after** the date that is set in the contract. This should be taken into consideration when negotiating terms with your agent. The date is agreed upon with the expectation the parties exercise 'good faith' and is **not** guaranteed. If either party does not abide by this deadline then the other party's remedy would be to commence litigation if a more viable alternative is unavailable. There is no remedy included in the contract for us to automatically penalize the offender.
- Once your due diligence has concluded, we shall then request the proposed contract from the seller's attorney.
- Upon receipt and review of the proposed contract, we will negotiate revisions with the seller's attorney on your behalf to ensure you are adequately protected.
- Upon verification that the seller's attorney has approved our revisions, our office will contact you to schedule an appointment so that we may thoroughly review the terms. You must bring your personal checkbook for the down-payment at that time. If you have any particular questions, you may find it helpful to organize a list so that we may better assist you at the contract signing.
- After you sign the contract, we shall overnight the 'partially executed' contract to the seller's attorney so that the homeowner may execute the same. It should be noted that neither party is bound by this partially executed contract (our office shall continue to follow up with them in order to ensure the contract is returned expeditiously).
- Thereafter, it will be returned to our office at which point you shall be 'officially' in contract. At this time that your down-payment check will be deposited by the seller's attorney in a non-interest bearing escrow account to be held until the closing.

### **Lien Search:**

- A lien search is a one-time premium, however, you should request a 'Good Faith Estimate' from your mortgage professional that will outline all of your closings costs, including lender's fees.
- Your lender also requires that you obtain a lien search to ensure that their new mortgage loan will be in the first lien position.
- The contract will state that the sale is conditioned upon the seller transferring the Shares and Lease applicable to the Unit free and clear of all loans, judgments and other liens which may exist against the property.
- Our office will review the lien search upon receipt and shall send a list of defects to the seller's attorney to ensure they have proper notice of any issues which require correction. Thereafter we will continue to follow up with the seller's attorney to verify that they are resolved in a timely fashion. Of course we shall update you along the way.

### Financing:

- If your real estate contract is subject to you being able to obtain a Mortgage Commitment from a lender, you will typically be given between thirty and forty-five days to obtain financing. You must act in good faith, promptly apply for a mortgage loan, and fully cooperate with your lender's request during this process. If you cannot obtain a Mortgage Commitment, usually either party may cancel the contract, and the contract down-payment shall be returned.
- If you wish for our firm to represent the lender please check with us to see if we are capable of doing so. **If so, we can discount the fee normally assessed to another attorney for this purpose.** This option also saves you a lot of time as your lender's attorney will need to familiarize themselves with the transaction.
- If you wish to lock your rate, **you should always check with our office first** as to the time frames and any outstanding issues. Your rate should be locked only through the latest possible closing date regardless as we cannot force the seller to close any sooner than that time (nor can they force you to close later than that time).

### Coop Board Approval

- In a transaction involving a coop such as yours the transaction is also contingent upon the purchaser obtaining 'board approval'. Most coops have a board interview; others do not. You will go for an interview and if approved that will be the final contingency for the transaction.

### Clear to Close:

- Once your loan officer has cleared all of your Mortgage Commitment conditions and the lender's attorney has approved the file for funding, we will be able to schedule a mutually agreeable closing date with all parties.
- Generally speaking, per banking regulations, a closing can only be scheduled 72 hours (excluding Federal holidays and Sundays) **after** you have acknowledged the Closing Disclosure.

### Closing:

- Our office will prepare a financial closing statement that outlines the entirety of the transaction in a manner that is easily understood. At closing, we shall review all documents so as to ensure that you are fully aware of all that transpires at such time.
- Please be aware that simply because a closing date has been scheduled, that does not automatically mean you will be receiving actual possession of the premises on the day of closing. Accordingly, we shall notify you when you will be receiving the keys so that the proper accommodations can be made.
- Additionally, we highly recommend that you schedule a walkthrough inspection of the premises, as close to the closing as possible, with the seller or your real estate agent in order to ensure that the property is in the same condition from when you signed the Contract, less normal wear and tear. It is imperative that you contact us immediately if there are any issues at the walkthrough so that we may resolve them prior to the closing since the seller will have no liability after closing, per New York State law.
- Closing will take place in the management company's office or the office of the attorney for the coop.
- The duration of a typical closing will be less than two (2) hours, depending on the lender.

- At the time of closing, you may have our in-house closing attorney Katrina Lentino, Esq. attend on behalf of the firm. She will always be intimately familiar with specifics of your transaction and specializes in real estate closings.
- During the actual closing, you will sign the bank's loan documents (if applicable) to complete the loan transaction including the note and mortgage. Meanwhile, the seller will sign all documents needed to transfer ownership in the home to you.
- In order for us to calculate your approximate closing costs, we will require an invoice from the title company, the seller's certified check request and the lender's fees.
- Typically we will have this information 24-48 hours prior to the scheduled closing date. Please note that it is not uncommon for us to receive this information on the day of the actual closing.
- Please be advised that despite the fact our estimated closing costs are generally accurate, closing costs are always subject to change at the closing itself. For this reason, you must bring your personal checkbook. Finally, you must bring government issued photo identification (i.e. driver's license or passport) to the closing.

**Miscellaneous:**

*We do not practice litigation of any kind. Should the Contract not come to fruition as intended you will be required to retain outside counsel for this purpose. Referrals will be provided upon request.*

In the event that a dispute arises between us relating our fees, you may have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

By proceeding with your transaction and engaging our firm to represent you, you hereby acknowledge that you have read this letter and agree to our engagement, which has been fully discussed and explained to your complete satisfaction.

Most importantly, congratulations on your real estate transaction!

Very truly yours,

DIAMOND LAW GROUP